

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the matter of

Request for Review by

ACS Wireless, Inc.
Anchorage, Alaska

of a Decision of the Universal Service
Administrator

Federal-State Joint Board on Universal
Service

High-Cost Universal Service Support

CC Docket No. 96-45

WC Docket No. 05-337

Request for Review and Petition for Waiver

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January 17, 2012

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Pursuant to Sections 54.719 through 54.725 of the Commission’s rules, 47 C.F.R. §§ 54.719-54.725, ACS Wireless, Inc. (“ACSW”) hereby seeks Commission review of a decision (the “USAC Decision”)¹ of the Universal Service Administrator, the Universal Service Administrative Company (“USAC”), interpreting the requirement for mobile wireless carriers to use the “customer billing address” to report the location of wireless connections for high-cost universal service funding (“USF”) purposes, 47 C.F.R. § 54.307(b).² To the extent that the Commission finds USAC’s interpretation of Section 54.307(b) correct, ACSW also seeks a waiver of that section of the Commission’s rules.

¹ Letter from Shane Ahn, High Cost, USAC, to Larry Snipes, Senior Manager, Alaska Communications Systems Holdings, Inc. (Nov. 16, 2011), attached hereto as **Exhibit A**.

² The USAC Decision also raises two additional issues, specifically (1) ACSW’s classification of all of its wireless connections as residential/single line business (“RSLB”); and (2) ACSW’s inclusion in its line counts of certain non-revenue-generating lines. In electronic correspondence received January 6, 2012, following further discussion of the issues with counsel for ACSW, USAC withdrew the RSLB issue to the extent it relates to retrospective periods. With respect to non-revenue-generating lines, ACSW has filed revised data correcting this inadvertent error.

Summary

Following USAC's data validation efforts in connection with ACSW's March 2011 FCC Form 525 line count filing, the USAC Decision improperly directed ACSW to revise and refile its FCC Form 525 line count filings to omit mobile wireless connections that it provides at wholesale to Verizon Wireless ("VZW") for use in providing vehicular safety, security, and communications service to end-user customers in Alaska. The USAC Decision was premised on the fact that VZW has a billing address in Alpharetta, Georgia, without regard to the Alaska billing addresses of the end-users, and without regard to the fact that VZW does not receive its bills by physical delivery to a location out-of-state but rather via electronic transmission.

ACSW believes that its inclusion in its eligible line count data of wholesale wireless connections that are provided to end-users using the supported service within ACSW's service area is consistent with Commission rules and precedent. Nothing in this practice permits ACSW to manipulate the resale carrier's billing address to maximize support to these lines, which was the concern the FCC identified when it considered modifying the rule. Accordingly, the Commission should reverse the USAC requirement that ACSW exclude these end-users from its USF-eligible line count.

In the alternative, ACSW herein seeks a waiver of the billing address rule to allow ACSW to use the geographic location indicated by the NPA-NXX of the telephone number that VZW assigns to the end-user customer, which is based on the home address provided by the end-user customer when purchasing a car, rather than the billing address of the resale carrier-customer, VZW, in counting its mobile wireless connections provided to other carriers at wholesale for federal ETC high-cost reporting

purposes. ACSW believes that such a waiver would be consistent with the *Bristol Bay Waiver Order*, in which the Wireline Competition Bureau waived Section 54.307(b) of its rules to permit a wireless CETC, Bristol Bay Cellular, to receive high-cost support for its wireless connections based on the customer's place of primary use of the service, where the carrier demonstrated specific circumstances making the use of the customer billing address "inconsistent with the rationale . . . on which the Commission relied in adopting the billing address requirement."³

Background

Under Section 254 and 214(e) of the Communications Act of 1934, as amended (the "Communications Act"), 47 U.S.C. §§ 254, 214(e), only telecommunications carriers designated as eligible telecommunications carriers ("ETCs") may receive universal service support through federal high-cost programs. Among the requirements to be designated as an ETC, a telecommunications carrier must offer service "either using its own facilities or a combination of its own facilities and resale of another carrier's services," 47 C.F.R. § 54.201(d)(1). As a result, the Commission has found that, in the case where one telecommunications carrier offers a service solely through resale, it is the wholesale carrier, not the reseller, that is entitled to receive the high-cost universal service support associated with the lines in question. In doing so, the Commission stated that, "[w]hen one carrier serves high cost lines by reselling a second carrier's services, the high costs are borne by the second carrier, not by the first, and under the resale pricing

³ *Federal-State Joint Board on Universal Service, Bristol Bay Cellular Partnership Petition for Waiver of the Federal Communications Commission's Rules Concerning the Administration of the Universal Service Fund*, CC Docket No. 96-45, Order, DA 07-4965, 22 FCC Rcd 21500 ¶ 5 (Wir. Comp. Bur. 2007).

provision the second carrier receives revenues from the first carrier equal to end-user revenues less its avoidable costs. Therefore it is the second carrier, not the first, that will be reluctant to serve absent the support, and therefore it should receive the support.”⁴

Under the Commission’s rules, competitive ETCs (“CETCs”) may receive federal high-cost support based on the same per-line amount to which the local incumbent local exchange carrier (“ILEC”) is entitled, multiplied by the number of “lines” or wireless subscriptions to which the CETC provides service in that ILEC’s local exchange service territory.⁵ Thus, to collect support, among other requirements, each CETC must submit to USAC a count of the “lines” it serves within the service territory of each ILEC in which the CETC provides service. The CETC’s “lines” are geographically sorted according to customer location.⁶ Under the Commission’s rules, mobile wireless CETCs must “use the customer's billing address for purposes of identifying the service location of a mobile wireless customer in a service area.”⁷

ACSW provides a number of mobile wireless connections in Alaska on a wholesale basis to VZW. VZW, in turn, resells this service to customers in Alaska who subscribe to vehicular safety, security, and connectivity service in connection with the purchase of a vehicle. Because VZW does not, at present, offer facilities-based mobile

⁴ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 97-157, 12 FCC Rcd 8776 ¶ 290 (1997) (“*Universal Service Order*”) (subsequent history omitted); *see also Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, FCC 05-165, 20 FCC Rcd 15095 ¶ 12 (2005).

⁵ 47 C.F.R. § 54.307.

⁶ 47 C.F.R. § 54.307(a)-(b).

⁷ 47 C.F.R. § 54.307(b).

wireless service in Alaska, it relies on the resale of ACSW mobile wireless connections to provide the communications functionality required for the service to operate. VZW assigns these customers a mobile wireless number using an NPA-NXX that is homed to a rate center as close as possible to the home address and telephone number the customer provides when purchasing a new vehicle equipped with this service.⁸ VZW requests Alaska-based NPA-NXX codes from ACSW for this purpose.⁹

Thus, VZW provides mobile wireless telecommunications service to its customers that provide Alaska home addresses and phone numbers when purchasing a vehicle using the facilities of ACSW, whose mobile wireless network is located wholly within Alaska, and using telephone numbers with NPA-NXX prefixes geographically assigned to a rate center located near the Alaska addresses supplied by the end-user customer. ACSW bills VZW for the wholesale wireless connections associated with this service via electronic bill format; the “customer billing address” on record for VZW is an address in Alpharetta, Georgia, but this address has no bearing on the nature of the service provided by ACSW nor the end-users who are able to receive the service at affordable rates supported in part by USF.

Following a data validation exercise conducted by USAC’s high-cost staff, USAC concluded that the wireless connections for these Alaska-based end-users were incorrectly filed under the Commission’s rules based on the “customer billing address”

⁸ See Email message from Rock Nelson, Verizon Wireless, to Larry Snipes, ACS (Jul. 25, 2011), attached as **Exhibit B**.

⁹ *Id.*

for VZW in Alpharetta, Georgia. USAC accordingly directed ACSW to update its line count filings without these lines.

Discussion

ACSW requests that the Commission clarify that: (1) in the context of commercial mobile wireless resale, the “customer billing address” to be used to determine the level of support for which the wholesale carrier ETC is eligible is that of the end-user customer; and that (2) for reporting purposes, in the absence of actual customer billing address data supplied by the resale carrier, ACSW may infer the end-user customer’s billing address from the NPA-NXX assigned to the end-user based on the resale carrier’s representation that it makes this assignment based on the home address and telephone number supplied by its end-user customer in connection with such customer’s purchase of a vehicle.

A. The Commission Should Clarify that Section 54.307(b) Requires the Use of the End-User’s Billing Address to Determine High Cost Support Available to a Wholesale Mobile Wireless CETC

1. A Wholesale Commercial Mobile Wireless CETC Should Determine the Location of a Mobile Wireless Customer Using the End-User Customer’s Billing Address

Section 54.307(b) of the Commission’s rules, requiring commercial mobile wireless CETCs to use the “customer’s billing address” is ambiguous with respect to whether the billing address of the retail carrier-customer or the end-user customer should govern for purposes of reporting the location of a mobile wireless connection provided at wholesale by a CETC. ACSW requests that the Commission clarify that, in the wholesale context, just as in the retail context, the end-user’s billing address must govern, because that interpretation is the one most consistent with the Commission’s

original reasoning in adopting the rule. In addition, such an interpretation would minimize opportunities for CETCs to manipulate the resale carrier's billing address to maximize support for these connections.

In directing mobile wireless CETCs to "use a customer's billing address for purposes of determining the appropriate amount of support"¹⁰ associated with that connection, the Commission concluded that, "a mobile wireless customer's billing address is a reasonable surrogate for the customer's location."¹¹ While recognizing that, even for retail services, alternative rules, such as the "place of primary use," as defined under the Mobile Telecommunications Sourcing Act ("MTSA")¹² could yield more accurate results in a small number of cases, the Commission determined that the use of customer billing address reasonably balanced the Commission's need ensure that wireless connections received the proper level of per-line support with the need to find an administratively simple approach based on data available to all wireless carriers.¹³

When the Commission revisited this rule in 2005, it affirmed its decision to base support payments on the customer's billing address, stating that it was "not

¹⁰ *Federal-State Joint Board on Universal Service, Multi-Association Group Plan for Regulation of Interstate Services of Non-Price Cap ILECs and Interexchange Carriers*, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, FCC 01-157, 16 FCC Rcd 11244 ¶ 184 (2001) ("Rural Task Force Order").

¹¹ *Id.* at ¶ 181.

¹² The MTSA defines "place of primary use" as "the street address representative of where the customer's use of the mobile telecommunications service primarily occurs," 4 U.S.C. § 124(8).

¹³ *Id.* at ¶¶ 181-82.

convinced that there is a significant difference between our current definition, which relies on a customer's billing address, and the MTSA [place of primary use] definition.”¹⁴

In the mobile wireless resale context, this reasoning cannot stand. The billing address of the resale carrier may literally be located anywhere in the world, and bears no relationship whatsoever to the location of the end-user customer using the service. In fact, in this case, VZW's true billing address is “in the ether” because ACSW bills VZW via electronic billing – the Georgia mailing address is irrelevant. The balancing that led the Commission to adopt the customer billing address as a surrogate for the actual customer location cannot produce reasonable results when applied to the out-of-area billing address of a distant mobile wireless resale carrier to determine the support available to a mobile wireless wholesale provider for services provided to local end-users. As the Commission found in the *Bristol Bay Waiver Order*, the rule should not be applied in a such a way that is “inconsistent with the rationale . . . the Commission relied on in adopting the billing address requirement” where the “wireless customers' billing addresses are significantly different from the place of primary use of the service.”¹⁵

Indeed, similar considerations led General Communication, Inc. (“GCI”), almost three years ago, to seek a declaratory ruling from the Commission on the application of Section 54.307(b) of the Commission's rules in cases where GCI provides mobile wireless service to large statewide or nationwide business customers that

¹⁴ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46, 20 FCC Rcd 6371 ¶ 82 (2005) (“*CETC Order*”), citing 4 U.S.C. § 122(a)(1) (service providers may rely on the address provided by the customer).

¹⁵ *Bristol Bay Waiver Order* at ¶ 5.

“subscribe to wireless services for employees at one location, where employees receive service invoices, but for reasons of administrative expediency and efficiency also receive payment invoices at and actually pay the wireless bill from a separate centralized or third-party location.”¹⁶ This creative “two-invoice solution” ultimately stems from the same ambiguity that Section 54.307(b) creates in cases where the customer billing address clearly and demonstrably bears no relationship to the underlying location where the service is primarily used. As GCI points out in its request, “it only makes sense to use as the billing address the location that most closely correlates to where the networks will be used, and not a centralized location that has no relationship to the provision of service.”¹⁷

Further, if CETC providers of wholesale wireless services are permitted to use the billing address provided by the retail carrier-customer in reporting wireless connections in their high-cost line count filings, this result would open broad new avenues for arbitrage and gamesmanship among support recipients. Such a result would run directly contrary to the Commission’s recent actions in the *Connect America Fund Order* to “rationalize the way that funding is provided [to mobile wireless CETCs] to

¹⁶ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Letter from John T. Nakahata, Counsel to General Communication, Inc., to Dana Shaffer, Bureau Chief, Wireline Competition Bureau (Jan 26, 2009), at 3 (available at <http://fjallfoss.fcc.gov/ecfs/document/view?id=6520194152>); cf. *Arctic Slope Telephone Association Cooperative, Inc. Petition for Waiver of the Federal Communications Commission’s Rules Concerning the Administration of the Universal Service Fund*, CC Docket No. 96-45 (filed Jan. 31, 2008) (seeking waiver of the customer billing address rule for mobile wireless connections provided for use of oil industry workers in the North Slope region of Alaska, which are frequently billed to a worker’s address elsewhere).

¹⁷ *Id.* at 5.

ensure that it is cost-effective and targeted to areas of need.”¹⁸ Permitting a mobile wireless CETC to base support for wholesale services on the billing address of its retail carrier-customer would invite widespread collusion designed to maximize support levels available to the wholesale carrier and correspondingly reduce the wholesale price paid by the resale carrier for the affected services. Such a result stands on its head the Commission’s conclusion that “the customer . . . is unlikely to be providing false information in order to increase universal service payments to its service provider.”¹⁹ Indeed, a mobile wireless resale carrier would have substantial incentives to do just that in order to defray a part of the costs of service that its wholesale provider would otherwise impose.

While ACSW is prepared to address the ambiguity in Section 54.307(b) by re-issuing revised or supplementary bills to addresses in Alaska that more closely approximate the location of the NPA-NXX that VZW assigns to its end-user retail customer, it believes that such a step should not be necessary. Section 54.307(b) of the Commission’s rules, if interpreted to require use of the end-user’s billing address, as ACSW believes the Commission intended, amply addresses USAC’s concern regarding ACSW’s line count filings.

¹⁸ *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) at ¶ 8.

¹⁹ *CETC Order* at ¶ 82.

2. The Wholesale Provider Should Be Permitted to Use a Reasonable Proxy When the End-User's Billing Address is Unavailable

Ideally, ACSW would identify each of the VZW end-user customers served using ACSW network facilities based on the end-user customer's local Alaska billing address, but these are end-user customers of VZW, not ACSW. ACSW therefore requests that the Commission clarify that a wholesale mobile wireless CETC may use a reasonable proxy for the billing address of the end-user. ACSW does not have direct access to the VZW customers' billing information, but it does know the NPA-NXX assigned to those customers by VZW, and the geographic location of the associated rate center. In light of VZW's representation that it assigns telephone numbers to its customers with geographic NPA-NXX codes that permit local calling to the home addresses and telephone numbers they supply when purchasing a vehicle, ACSW requests that the Commission clarify that the location of the NPA-NXX code represents a reasonable proxy for the end-user customer's billing address, and that ACSW may use such NPA-NXX codes in determining and reporting the location of these wireless connections to USAC.

ACSW's request here is supported by very similar considerations to those presented in the *Bristol Bay Waiver Order*. In that case, end-user customers had provided mailing addresses outside of the Bristol Bay Cellular service area, even though the customers' residences and place of primary use of the service were within such service area. In permitting Bristol Bay Cellular to base its line count filings on the place of primary use of the supported wireless service, the Wireline Competition Bureau found significant that (1) the wireless customers' billing addresses differed significantly from

the place of primary use of the service; and (2) Bristol Bay's lack of roaming service outside of its service area added certainty that its customers' usage of the supported service centered around the Bristol Bay service areas and protected against the possibility that Bristol Bay Cellular could "game the system" by attempting to receive support for customers it serves outside of the areas for which it is designated as an ETC.²⁰

With respect to ACSW, *first*, as demonstrated above, VZW's billing address bears no relationship to the location where the end-user customers actually use the service. *Second*, because of the nature of the VZW customer's service, the risk is negligible ACSW could "game the system" by seeking support outside of its CETC service area. VZW has confirmed that, when it assigns an Alaska telephone number to one of its customers, it does so based on the home address supplied by the customer when purchasing a vehicle, in order to maximize the customer's amount of local dialing and minimize inter-MTA calls.²¹ ACSW has no control over this process, and therefore cannot require VZW to assign customers from outside of its service area to be served by ACSW. Further, VZW would face strong financial incentives not to incur wholesale charges from ACSW in cases where the customer's address is outside of ACSW's service area. Moreover, the address a customer supplies when making a major purchase, such as a vehicle, is likely to be reliable, given the driver licensing and vehicle registration requirements imposed by the state. Therefore, the NPA-NXX better represents the service location than would the billing address for the resale carrier, VZW, and, as

²⁰ *Bristol Bay Waiver Order* at ¶ 5.

²¹ See **Exhibit B**.

discussed above, best effectuates the Commission's intended policy goals with respect to mobile wireless CETC services.

Not only is the NPA-NXX location a reliable indicator of the end-user customer's billing address, it is a reliable indicator of the place of primary use of the service as well. The VZW service is associated with a vehicle, and uses equipment that is attached to the vehicle and difficult to remove. As a result, there is very little risk that a person would use the service outside of ACSW's CETC service area on more than an occasional basis; to do so, a VZW customer would need to drive the vehicle a minimum of four or five hours to reach extremely rural parts of Alaska, or even further to reach Canada or the U.S. lower 48 states. Indeed, in this regard, the risk is lower than that associated with traditional mobile wireless service provided through highly portable individual handsets. Nevertheless, for avoidance of doubt, ACSW can readily distinguish the end-users using the resold VZW service from those using roaming services. ACSW reports only the former to USAC for high-cost support purposes.

B. If Section 54.307(b) Does Not Require Use of the End-User Customer Billing Address as a General Matter, the Commission Should Grant a Waiver to ACSW

In the alternative to a finding for ACSW on the law, ACSW hereby requests a waiver of Section 54.307(b) to permit it to use the NPA-NXX that VZW assigns to the customers it serves using resold ACSW service, rather than the VZW billing address, in counting its wireless connections for federal ETC high-cost reporting purposes.

The Commission may waive its rules for “good cause shown.”²² More specifically, the Commission may exercise its discretion to waive a rule where special circumstances warrant a deviation from the general rule and such deviation would serve the public interest, or where the particular facts make strict compliance inconsistent with the public interest.²³ The Commission may take into account consideration of hardship, equity, or more effective implementation of overall policy on an individual basis.²⁴ In sum, waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule.²⁵ The ACSW waiver request meets this standard.

First, special circumstances warrant a deviation from the customer billing address rule in this case. Use of the VZW billing address to determine ACSW’s level of CETC high-cost support is inconsistent with the Commission’s rationale in the *Rural Task Force Order* and *CETC Order* that, in most cases, there would be little difference between the billing address and place of primary use of a supported mobile wireless service.²⁶

To the contrary, if Section 54.307(b) requires a commercial mobile wireless CETC to receive per-line high-cost support for wholesale services based on the

²² 47 C.F.R. § 1.3.

²³ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990); *WAIT Radio v. FCC*, 418 F.2d 1153, 1157, (D.C. Cir. 1969), *affirmed by WAIT Radio v. FCC*, 459 F.2d 1203 (D.C. Cir. 1972).

²⁴ *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

²⁵ *Northeast Cellular*, 897 F.2d at 1166.

²⁶ *Rural Task Force Order* at ¶ 181; *CETC Order* at ¶ 82; *see Bristol Bay Waiver Order* at ¶ 5.

billing address of its resale carrier-customer, then that rule produces results inherently inconsistent with the Commission's intent to provide such CETCs with support that is cost-effective and targeted to areas of need. Unlike the retail context in which the rule is typically applied, in this case, the Alpharetta, Georgia billing address for Verizon Wireless is over 4000 miles from Anchorage, and bears no relationship to the place where the service is used. VZW provides resold ACSW wireless connections to customers who purchase cars with vehicular safety, security, and communications service in Alaska and whose address and telephone number are located in Alaska. These indicators, in this case, are far more likely than the VZW billing address to provide a reasonable proxy for the usage location of the service. Few people purchase cars in Alaska intending to drive them to a location in the lower 48 states for long-term use. And, fewer still would provide false Alaska address and telephone number information when making a major purchase, such as a car, with its associated driver licensing and vehicle registration requirements, in order to help a carrier with whom they have no direct relationship increase its USF support.

Moreover, a waiver to permit ACSW to report wholesale wireless connections billed to an out-of-area address would alleviate hardship and result in more effective implementation of the Commission's overall policy reflected in Section 54.3027(b). The Commission has found that, in the resale context, the ETCs providing wholesale services to a resale carrier is entitled to the support associated with those services.²⁷ To the extent that ACSW may not receive that support because its resale

²⁷ *Universal Service Order* at ¶ 290.

carrier-customer provides a remote billing address located well outside of ACSW's service area, that result creates a hardship for ACSW and defeats the Commission's policy intent to ensure that universal service mechanisms support the deployment and use of wireless CETC infrastructure in high-cost areas for which the support is intended.

Finally, not only is the VZW billing address divorced from the Alaska location where the end-user has an address and intends to use the service, it does not even bear any necessary relationship to the location of VZW. Although ACSW submits a bill to VZW for the resold wireless connections at issue that is addressed to a VZW billing address in Alpharetta, Georgia, the bills are not mailed in hard copy, but rather are provided electronically, and could be received by VZW literally anywhere in the country (or world) depending on where the VZW employee who is responsible for making payment on that particular account is located.

Second, the public interest supports a waiver. Strict compliance with this rule frustrates the Commission's intent of providing universal service support to carriers where they provide the supported service, which in the case of wireless CETCs can best be determined based on the location its end-user customers when they initiate a call.²⁸ Waiving the "customer billing address" requirement for ACSW in this situation would therefore be in the public interest by providing support that is aligned with the actual

²⁸ Cf. 47 C.F.R. § 51.701(b)(2) (defining "Non-Access Telecommunications Traffic," to which reciprocal compensation obligations apply, to include "[t]elecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in §24.202(a) of this chapter").

location of the end-user customer despite the (irrelevant) geographic location indicated by the billing address of the resale provider.

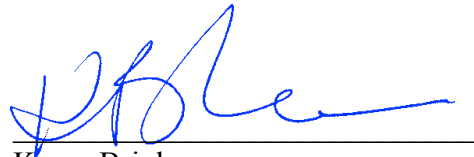
The public interest is also served by ensuring that support is provided to a carrier that offers service in an area of the country that is difficult and costly to serve and an area that likely would not otherwise have wireless service. At present, VZW does not have wireless network facilities in Alaska. Even if VZW begins to offer mobile wireless services using its recently acquired 700MHz license, its facilities are unlikely to have the capability to communicate with the vehicle-mounted equipment used to provide the service at issue here, which operates using different spectrum. There are clear public safety concerns of ensuring that Alaska residents have access to a wireless connection for emergency calling and other essential communications in areas where there is limited road infrastructure and harsh weather conditions. These concerns alone should satisfy the public interest of waiving the billing address requirement of Section 54.307(b) so that ACSW will receive universal service support for the end-user customers who live in Alaska and use their wireless service in Alaska, despite the billing address of their immediate service provider.

Conclusion

For the foregoing reasons, ACSW respectfully requests that the Commission review and reverse the USAC Decision and direct USAC to accept ACSW's Form 525 line count filings, which include the wholesale wireless connections provided to VZW, as filed. In the alternative, ACSW hereby requests that the Commission waive Section 54.307(b) of its rules, 47 C.F.R. § 54.307(b), to permit ACSW to include wholesale wireless connections provided to VZW, as described herein.

Respectfully submitted,

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January 17, 2012

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Exhibit A

Letter from Shane Ahn, High Cost, USAC, to Larry Snipes, Senior Manager, Alaska
Communications Systems Holdings, Inc. (Nov. 16, 2011)

Via Electronic Mail & Post

November 16, 2011

Larry Snipes
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RE: 2010 Competitive Eligible Telecommunications Carriers Line Count Validation

Dear Larry Snipes:

Thank you for your cooperation during our validation of your FCC Form 525 filed March 10, 2011 for ALASKA COMMUNICATIONS SYSTEMS HOLDING, INC. - CL, Study Area Code (SAC) 619005, to receive High Cost Program support.

As noted in our introductory letter, we reviewed the form submitted for ALASKA COMMUNICATIONS SYSTEMS HOLDING, INC. - CL and the underlying information used to complete the form to assess the accuracy of the line count filing.¹ The information provided was reviewed for line count validation purposes only and was not shared with any other parties.

During our review of your lines reported under ACS-FAIRBANKS, INC., ACS-N GLACIER STATE, and ACS-AK JUNEAU, SACs 613008, 613010, and 613012, and your line classification and mapping methodologies, we noticed the following issues:

1. all lines classified as RSLB
2. lines with out-of-area addresses reported
3. non-revenue-generating lines reported

In response,

¹ The Federal Communications Commission ("FCC"), including its Inspector General, and USAC may request and obtain all records, documents and other information that is necessary to determine whether an entity receiving benefits from any of the universal service support mechanisms or supporting the universal service support mechanisms through contributions to the Universal Service Fund has been and continues to be in compliance with applicable federal and state laws and regulations. *See* 47 U.S.C. § 220(c). *See also*, 47 U.S.C. § 254 (authorizing the FCC to promulgate regulations for provision and support of universal service); 47 C.F.R. §§ 54.701(a) (FCC appointment of USAC as the permanent administrator of the federal universal service support mechanisms); 54.702(a) (FCC designating USAC responsible for administering the schools and libraries support mechanism, the rural health care support mechanism, the high cost support mechanism, and the low income support mechanism.); 54.702(b) (FCC making USAC responsible for billing contributors, collecting contributions to the universal service support mechanisms, and disbursing universal service support funds).

1. USAC requires the carrier to implement procedures to correctly classify its customers and update its line count filings in accordance with FCC rules
2. USAC finds these lines were incorrectly filed and requires the carrier to update its line count filings with these lines removed
3. USAC finds these lines were incorrectly filed and requires the carrier to update its line count filings with these lines removed

Please submit your updated filings through the normal means (e525, email, fax, mail) by January 3, 2012, and notify USAC High Cost Program staff of your re-file at HCReview@usac.org or (202) 776-0200 so that we can ensure prompt processing. If you cannot meet the deadline established above, please let us know as soon as possible. Failure to submit updated data may result in recovery of all exceptions and further review.

As is the case with any decision of the USF administrator, you have the right to appeal this decision pursuant to 47 C.F.R. § 54.719. The appeal must be filed within 60 days of the date of this letter as required by 47 C.F.R. § 54.720(a) and must conform to the filing requirements of 47 C.F.R. § 54.721. Additional information about the FCC appeals process may be found at <http://www.usac.org/hc/about/filing-appeals.aspx> under “OPTION B.”

Thank you again for your cooperation.

Sincerely,

/SA/
Shane Ahn
High Cost

Exhibit B

Email message from Rock Nelson, Verizon Wireless, to Larry Snipes, ACS (Jul. 25, 2011)

-----Original Message-----

From: Nelson, Rock [mailto:Rock.R.Nelson@VerizonWireless.com]

Sent: Monday, July 25, 2011 10:41 AM

To: Snipes, Larry G.

Cc: Pennington, Rick A.; Nelson, Rock

Subject: FW: ACS Wireless Activations 7/15/2011 - part 3

Hello Larry:

I spoke with Ricky Pennington, Telephone Number Specialist and he support ACS.

In general, high level terms, OnStar looks at the customers home number and attempts to match on the NPA/NXX level and assign an OnStar number allowing local dialing. If you have any specific questions, please let us know and I will ask Ricky to help out.

Thanks, Rock

-----Original Message-----

From: Snipes, Larry G. [mailto:larry.snipes@acsalaska.com]

Sent: Monday, July 25, 2011 1:00 PM

To: OnStar Activations

Subject: FW: ACS Wireless Activations 7/15/2011 - part 3

David (?),

I'm Larry Snipes Senior Manager, Revenue Assurance with Alaska Communications. I have a question regarding your process of assigning a MDN to your customers when placing an order with us. What criteria do you use when you assign the MDN? Do you attempt to correlate to your customers location or do you use some other logic?

I'm attempting to tighten up our process so your assistance is greatly appreciate.

Larry Snipes

Senior Manager, Revenue Assurance

lsnipes@acsalaska.com

T: [\[907\] 564-1044](tel:9075641044) F: [\[907\] 564-1329](tel:9075641329)